

Regular Session, April 2, 2012, 9:30 a.m.
Catawba County Board of Commissioners

Proclamations

County Government Month	450	04/02/12
Public Health Month	450	04/02/12

Legislative Agendas

2012 State and Federal Legislative Agendas	450	04/02/12
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The Catawba County Board of Commissioners met in regular session on Monday, April 2, 2012 at 9:30 a.m. in the Robert E. Hibbitts Meeting Room of the 1924 Courthouse, 30 North College Avenue, Newton, North Carolina.

Present were Chair Katherine W. Barnes, Vice-Chair Lynn M. Lail and Commissioners Dan A. Hunsucker, Barbara G. Beatty and Randy Isenhower.

Also present were County Manager J. Thomas Lundy, Assistant County Manager Dewey Harris, Assistant County Manager Mary Furtado, County Attorney Debra Bechtel and County Clerk Barbara Morris.

1. Chair Katherine W. Barnes called the meeting to order at 9:30 a.m.
2. Vice-Chair Lynn M. Lail led the Pledge of Allegiance to the Flag.
3. Commissioner Randy Isenhower offered the invocation.
4. Commissioner Dan A. Hunsucker made a motion to approve the minutes from the Board's Regular Meeting of March 19, 2012. The motion carried unanimously.
5. Recognition of Special Guests: Chair Barnes welcomed everyone present, and specifically welcomed members of the press and Commissioner Candidate Steve Graves and noted that both Barbara Beatty and Dan Hunsucker were also candidates in the upcoming election.
6. Public Comments for Items Not on the Agenda: None.
7. Presentations:
 - a. Chair Barnes presented Public Health Director Doug Urland with a proclamation declaring April as County Government Month in Catawba County. The theme of this proclamation was "Healthy Counties, Healthy Families" and it recognized that Catawba County enables healthy families by promoting and protecting the health of all county residents; by assuring critical health and emergency services; and by advocating for healthier lifestyles through education, policies, and environmental strategies.
 - b. Commissioner Hunsucker presented Public Health Director Doug Urland with a proclamation declaring April as Public Health Month to recognize 132 years of public health service to the residents of North Carolina and the efforts of public health departments to control and eliminate infectious disease, improve environmental sanitation and promote healthy lifestyle practices, which have resulted in improved health status and increased life expectancy for North Carolina residents.
8. Other Items of Business:

Assistant County Manager Dewey Harris presented the proposed 2012 State and Federal Legislative Agendas, to highlight legislative issues of local importance. The Short Session of the North Carolina General Assembly begins on May 16, 2012, so it was time to consider a new agenda. The agendas were developed in collaboration with County department heads, the Catawba County School System, Hickory Public Schools, Newton-Conover City Schools, Catawba Valley Community College, Catawba County Chamber of Commerce, Catawba County Economic

Development Corporation, Western Piedmont Council of Governments, municipalities, and legislative advocacy staff of the North Carolina Association of County Commissioners (NCACC).

The proposed State Legislative agenda included the following goals:

- 1) **Support an increase to \$35,000 in the Homestead Exclusion Income Limit.** The Board has supported this increase, which would provide property tax relief for the senior citizens of Catawba County, since 2007.
- 2) **Support an equitable distribution method in the School Capital Fund Formula/Lottery Proceeds as long as North Carolina chooses to conduct an educational lottery.** Of the lottery funds dedicated to school construction, 35% is given to counties that have an effective tax rate higher than the statewide average. Since Catawba County has a lower than average tax rate, the current distribution formula penalizes Catawba County with reduced funding levels. If the 35% that is distributed based on the effective tax rate were distributed based on a per student allocation to each county, Catawba County could receive an additional \$1 million annually.
- 3) **Oppose transferring the responsibility of North Carolina's secondary road infrastructure to counties, the elimination or decrease in current road infrastructure funding levels for municipalities, or the transfer of any State maintained road to municipalities.**
- 4) **Oppose any State efforts to force additional unfunded mandates or take away local revenues to balance the State Budget and restore previous cuts when possible.**
- 5) **Oppose attempts to reduce a local government's tax base, which leads to more burden on property taxpayers.**
- 6) **Oppose any attempts to increase the time that County jails are required to hold misdemeanants and support an increase in a \$40 reimbursement rate for State inmates in county jails and reinstatement of an \$18 misdemeanor reimbursement.**
- 7) **Support an exemption of State sales tax on purchases made by local school systems.**
- 8) **Support a rate increase for Medicaid and State mental health services to at least cover cost of service.**
- 9) **The State should maintain "Electing Counties" status and maintain the County's financial incentive.** Electing county status gives Departments of Social Services greater control over local welfare policies and available funding.
- 10) **Restore state day care administrative Child Care and Development Funding from 3% to the original 5%.**
- 11) **Support flexible local revenue options to reduce the burden on the property taxpayer.** Catawba County is supportive of the philosophy that what one local government has as a local revenue option, should be available to other local governments. While flexible revenue options would result in less burden on property taxpayers and more widely disperse the financial responsibility for mandated local services to all residents rather than just property owners, the Board also believes for revenues derived from increased flexible revenue options, the Board should have the option to make corresponding reductions in property taxes.
- 12) **Support maintaining local control of the North Carolina ABC System and preservation of local revenues received from the system.**
- 13) **Support local legislation similar to legislation passed in 2010 (Cleanfields Act of 2010) to allow Catawba County to provide triple credit toward renewable energy portfolios.** During the 2011 session, the County supported local legislation that will provide triple credit toward renewable

energy portfolios of electric power or renewable energy certificates generated in the Catawba County EcoComplex, to ensure renewable energy projects in the EcoComplex remain viable and maintain market competitiveness with renewable energy projects being developed in the private sector.

14) Support legislation to provide for less expensive alternatives for run-off elections. A recent second primary, a run-off for a Democratic Senate Primary, cost Catawba County an additional \$51,000.

15) Support legislation, similar to municipalities, which will permit counties to provide high-speed internet either through direct service from the county or a public private partnership. When possible, encourage private industry to partner with counties to expand service

16) Restore North Carolina's Community Colleges Management Flexibility. The Board would support the concept that, as the State's economy transitions, it is imperative that community colleges are able to offer the quantity and quality of instruction and service with state-of-the-art equipment critical for economic recovery. The State budget reduced individual college multi-campus funding by distributing funds to more colleges while not increasing the allocation. This further stretches resources to those colleges making commitments to meet the needs of multi-county service areas for commuting students.

17) Support release of Help America Vote Act (HAVA) funds. In 2002, Congress passed the Help America Vote Act (HAVA). HAVA money allows the State Board of Elections to grant funds for new early voting sites, training of poll workers, and the buying and maintenance of new voting equipment. HAVA guidelines require states to maintain a core election budget of no less than their 2000 level (\$3.46 million per year for NC). The State budgeted \$660,000 below that level even though it has \$4 million sitting unused in a bank account.

Mr. Harris pointed out under flexible local revenue options to reduce the burden on the property taxpayer, staff recommended including an the option for the Board to make corresponding reductions in property taxes. He then indicated that the NCACC key goals were the distribution of lottery funds, restore mental health funding, human services flexibility and the County broadband/public-private partnership.

Mr. Harris asked if any Board members had any questions prior to moving onto the proposed Federal agenda. Commissioner Isenhower stated he had two concerns – the first being the increase in the Homestead Exclusion and the fact that it had been on the legislative agenda since 2007 and it never made it out of the committee. Chair Barnes gave the historic prospective on the effort – at the time the County sought the ¼ cent sales tax revenue option, the Board pledged to seek an increase in this exclusion and this goal illustrates the Boards commitment to that effort. She noted the issue with the way the Statute was worded and that the exclusion must be the same throughout the State but she felt that the Board still owed it to the community to seek an increase, regardless of the likelihood of its passage. Vice-Chair Lail said she believed it should be left on the agenda. Commissioner Isenhower questioned the value of asking our legislators to pursue legislation which had very little chance of passing, especially when there was a limitation on the number of bills that could be introduced. Chair Barnes didn't know that a specific bill would be presented but it was a way for the Commissioners to voice their concerns about the limits of the exclusion. Commissioner Hunsucker said he understood both positions but having been on the Board at the time they made that pledge, he supported it remaining on the agenda, at least one more year. Commissioner Isehnhower stated he understood and hoped that the NCACC would remain neutral on the issue. Chair Barnes said the NCACC had been neutral on the issue but its goal was to protect the tax base.

Commissioner Isenhower stated his second concern was on the flexible local revenue option. He stated the tax burden had to be reduced for citizens and any local revenue option would be another tax. While he understood the language change that gave the Board the option to make

corresponding reductions to property taxes, he would support it only if it said that any revenues gained from a local revenue option would result in a corresponding decrease in property taxes, making it revenue neutral. Chair Barnes stated the additional local revenue options would only be pursued if there were additional issues that required funding and that was the case with the ¼ cent sales tax. She stated the 1/4 cent sale tax was meeting capital needs and it is difficult to tie one to the other. The Association had sought revenue options across the state – there have been positions that have been granted through local bills which gives one county an advantage over another and the Association is trying to level that playing field- if one county has a revenue option, then all counties should have that same option. Commissioner Hunsucker said he would like to support the language that Commissioner Isenhower has brought up, but if they were not careful, they would paint themselves into a corner when they did need additional funding – especially with the current financial climate. He was inclined to leave the language as is to give them as much flexibility as possible. Vice-Chair Lail said the way it was written was in line with what the NCACC supported, so she would leave it as written. Commissioner Hunsucker pointed out the Board had been historically frugal and always made an effort to keep things revenue neutral but if they changed this language, it would really tie their hands.

Commissioner Isenhower said he did not think now was the time to consider additional revenue options.

Chair Barnes suggested separating the flexible local revenue option from the rest of the proposed State agenda and consider the remaining 16 items. Vice-Chair Lail made a motion to adopt the 16 items (without the flexible local revenue option) as the State Agenda. The motion carried unanimously.

Chair Barnes then returned to the flexible local revenue option. She noted that property owners held most of the burden of the taxpayers of NC and they were not the only ones receiving government services. She believed the goal was well-worded with the option to reduce property taxes when possible.

Commissioner Isenhower said additional local revenue options would just be another tax in addition to property tax. He made a motion to adopt the flexible revenue option goal with the following language:

“provided that the revenue generated from the additional revenue option results in a corresponding decrease in revenue generated through property tax”.

Chair Barnes stated that there was a motion before the Board and asked if everyone understood the motion. Commissioner Beatty asked if they knew what options were going to be available and Mr. Harris responded that it was a general statement, not specific to one type of option. County Manager Lundy stated it would be similar to the circumstances surrounding the ¼ cent sales tax and the option to utilize that local revenue option.

Commissioner Hunsucker clarified what Commissioner Isenhower was proposing – so if the County received revenue from a new local revenue option, they would have to reduce the property tax. – He questioned then if they came up short, they would be forced to raise the property tax. He said he could vote for Commissioner Isenhower's motion but if the County came up short, for whatever reason, then property taxes would have to be raised. Commissioner Beatty said she was against being that restrictive when they did not know what was going to happen with unfunded mandates and the state budget.

Chair Barnes asked for a vote on Commissioner Isenhower's motion. Commissioners Isenhower and Hunsucker voted in favor; Commissioner Barnes, Lail and Beatty against. The motion did not carry.

Chair Barnes asked for a motion adopt the language regarding flexible local revenue options as presented by staff. Vice-Chair Lail made that motion. Commissioners Barnes, Lail, Hunsucker, and Beatty voted in favor; Commissioner Isenhower against. The motion carried.

Assistant County Manager Harris presented the proposed Federal agenda:

The proposed Federal Agenda included these goals:

1) **Reauthorization of LIHEAP Protection Act:** This program provides heating assistance to the elderly and poverty stricken populations. In Catawba County, it serves approximately 1250 residents.

2) **Reauthorization of Temporary Assistance to Needy Families and supplemental grants:** This is a major source of funding for Social Services programs such as child welfare services. In Catawba County, this funding reaches approximately 3300 residents and is spread over a number of programs. Reductions could also impact Electing County Status and shift additional unfunded mandates to the county.

3) **Support transition of Next Generation 911:** The transition to a Next Generation 911 system will provide enhanced information for first responders through text, photos, and videos, improved access to 911 for people with disabilities, and a more robust and reliable 911 system.

4) **Oppose all attempts at the Federal and State levels, including Federal Senate Bill 3991 Public Safety Employer-Employee Cooperation Act of 2010, that circumvent North Carolina General Statute 95-98. Additionally, the North Carolina General Assembly should pass legislation to strengthen the prohibition against any participation in public sector mandatory collective bargaining in North Carolina:** The United States Senate considered legislation that would make it possible for collective bargaining to occur at the state and local level in North Carolina. Catawba County opposed Senate Bill 3991 introduced on December 1, 2010. Catawba County encourages and supports the General Assembly in passing legislation which will further strengthen the rights of NC cities and counties to treat all employees fairly and professionally and protect citizens from fiscal burdens generated as a result of union influence into personnel management.

The NCACC opposed unfunded mandates, remote sales tax and TANF funds.

Chair Barnes asked for questions. Commissioner Hunsucker made a motion to adopt the Federal agenda. The motion carried unanimously. Both Chair Barnes and Commissioner Isenhower thanked Mr. Harris for his efforts regarding these agendas.

9. Attorney's Report: None.
10. Manager's Report. None.
11. Adjournment. Commissioner Hunsucker made a motion to adjourn the meeting at 10:25 a.m. The motion carried unanimously.

Katherine W. Barnes, Chair
Catawba County Board of Commissioners

Barbara E. Morris
County Clerk